

## MINUTES

Citizens' General Obligation Bond Oversight Committee Meeting  
February 27, 2023

### Committee Members

Andrea Marmo Crawford  
Pia Gheen  
Brian Larkin  
Timothy Mathews  
Siobhan McHugh  
Bart Pantoja  
Judi Sanderlin

This meeting was held by WebEx pursuant to the Governor's Executive Orders and Mayoral Emergency Proclamations suspending and modifying requirements for in-person meetings. During the Coronavirus Disease (COVID-19) emergency, the Citizens' General Obligation Bond Oversight Committee will convene remotely until the Committee is legally authorized to meet in person.

Note: The Citizens' General Obligation Bond Oversight Committee meetings are live-streamed courtesy of SFGovTV. The agenda, video recording, audio recording, and caption notes are posted at [https://sanfrancisco.granicus.com/ViewPublisher.php?view\\_id=191](https://sanfrancisco.granicus.com/ViewPublisher.php?view_id=191). Below is a high-level summary of the, February 27, 2023, meeting. Presentations for the meeting can be found at <https://sf.gov/departments/citizens-general-obligation-bond-oversight-committee>

**1) Call to Order/Roll Call.**

The meeting was called to order by Rosanne Torre, Committee Secretary, at 9:36 am. The following Committee members were present: Vice Chair Andrea Marmo Crawford, Member Pia Gheen, Member Brian Larkin, Chair Timothy Mathews, Member Bart Pantoja and Member Judi Sanderlin. Member Siobhan McHugh was absent.

**2) Adoption of AB 361 Resolution Allowing the Committee to meet during the COVID-19 Emergency via Teleconference.**

Move to adopt by Chair Mathews and seconded by Vice Chair Crawford. The resolution was approved by Vice Chair Crawford, Member Gheen, Member Larkin, Chair Mathews, Member Pantoja and Member Sanderlin. Member McHugh was absent.  
There was no public comment.

**3) Opportunity for the public to comment on any matters within the Committee's jurisdiction that are not on the agenda.**

There was no public comment.

**4) Approval, with possible modification, of the Minutes of the December 12, 2022, meeting.**

Move to approve by Chair Mathews and seconded by Member Larkin. The minutes were approved by Vice Chair Crawford, Member Gheen, Member Larkin, Chair Mathews, Member Pantoja and Member Sanderlin. Member McHugh was absent.  
There was no public comment.

**5) Presentation from the City Services Auditor regarding the Whistleblower Program; Liaison Report on the Whistleblower Program and possible action by the Committee in response to such presentation and report.**

David A. Jensen, Whistleblower Program Manager, presented on the activities and initiatives of the Whistleblower Program. He reviewed the authority for the program investigations and matters that are appropriate for investigation. Appropriate matters are misuse of city funds, improper activities by

city officers and employees, deficiencies in the quality and delivery of government services and wasteful and inefficient government practices. He then reviewed which types of reports are referred to other agencies. A chart was reviewed demonstrating by year and quarter the number of reports received since July 1, 2013, with intake volume down in Fiscal Year 2022-23 compared to last year. He stated that they will be issuing a Quarter 2 report soon. Another chart showed that 76% of reports received in Quarter 2 came through the online web form with 55% of those filed anonymously. Also in Quarter 2, 88% of the 125 reports received were closed within 90 days and 74 of the 125 were investigated and closed. The chart also showed that 17 were closed without investigation, 16 were merged with previous complaints, 4 were previously addressed, 10 were referred to a department with Charter jurisdiction and 4 were outside of the Whistleblower Program jurisdiction. He reported that through Quarter 2 of Fiscal Year 22-23, 42% of investigated reports resulted in corrective or preventive action. Lastly, he gave a review of the highlights of Fiscal Year 2022-23 initiatives.

Vice Chair Crawford as a Liaison to the program brought up the content of the emailed public comment received prior to the meeting. Mr. Jensen responded to the public comment contained in the email below.

Member Pantoja had questions regarding the 74 investigated complaints and whether they were based on trends of certain departments where things are coming up or certain complaints that come up about all departments. Mr. Jensen responded that it is both and gave examples and answered other questions from Member Pantoja.

Member Sanderlin asked Mr. Jensen the process for complaints relative to Controller's Office. Mr. Jensen described how Whistle Blower would handle the possible various complaint scenarios.

Public Comment received via email before the meeting:

*The "Whistleblower Program Update" is the skimpiest in years - just 13 pages versus 26 for the Q. 1 report. No breakdown of complaints for each City department. No outcomes for corrective actions taken. Nothing on retaliation claims handled by the Ethics Commission. No descriptions of key cases investigated. Much more missing data. An explanation is required. Prior adequate reports had noted several complaints lodged against the Controller's Office. How did the Controller's Whistleblower Program handle complaints against its parent organization? Now, without a record of complaints filed against individual departments, we cannot identify potential hot-spots. We cannot see whether allegations of wrongdoing implicate the Controller's Office. Finally, the Whistleblower Program should disclose what proportion of its investigations are actually conducted by the Departments named in the complaint. Not doing so hides the fact that the majority of its investigations aren't conducted in-house. Potential conflicts of interest occur when Departments investigate themselves. Thanks in advance, Derek Kerr, MD – Whistleblower*

Public Comment:

*Francisco Da Costa: I have been monitoring the various city departments for the last 40 years. My experience about the Whistleblowers Program comes from working with the federal government. I strongly feel that the City and County of San Francisco needs drastically to improve the Whistleblower Program. You can provide the empirical data to the Controller's Office, and they have a tendency to give it to the City Attorney, and in many instances, there is no adjudication. I would like you to reflect why is it the former city attorney now is the general manager of the San Francisco Public Utilities Commission when the San Francisco Public Utilities Commission is one of the worst departments within the City and County of San Francisco. For example, the sewer system improvement project started at \$6 billion, is now heading towards \$12 billion and still is progressing and will range \$20 billion in a couple of years. Whatever system is this? Where are the checks and balances? Who has the ability within the Controller's Office and within the City Attorney's Office to understand vertical and horizontal construction, engineering and all sorts of contracts with huge companies like ACom and all who can-who have a lot of power and can do whatever they want to.*

*How much of this is understood by the Citizens' General Obligation Bond Oversight Committee?  
Thank you very much.*

**6) Presentation from the Mayor's Office of Housing and Community Development about the 2015, 2016, and 2019 Housing Bond Programs and possible action by the Committee in response to such presentation.**

Andrea Gremer, Finance Director (2015 & 2019 bonds), and Johnny Oliver, Director of Preservation (2016 bond PASS Program) presented. Ms. Gremer presented a brief overview of the GO Bond Programs. She mentioned that there is a sizeable affordability gap with the average market rate housing out of reach for most making area median income. To make sure they maintain an economic diversity in the City, they target a wide range of seniors, educators, low- and middle-income folks and public housing communities. She said their bonds are different than other bonds because they make loans to developers through contractors to build the projects rather than going through public works. She talked about city funding being cheaper than national funding and that the funding is used earlier in the project. The \$310M bond passed in November 2015 with 99.9% of the first issuance, 99.3% of the second issuance and 60% of third issuance spent as of December 2022. She showed a summary of where bond funds are budgeted to public housing, and low- and middle- income housing. Presented was a City map showing all project locations and renderings of the projects.

The 2019 GO Bond program of \$600M passed in November 2019. The first issuance was completed for \$254.1M in March 2021 with 46% spent. A planned second issuance is estimated not-to-exceed \$172M. The resolution passed the Board in February 2023. The first issuance is projected to be spent by mid-2024 with the second issuance anticipated for late 2023 and the third issuance for early 2024. She gave a program summary of projects covered by the issuances and a projection of spending. She showed the project locations for 2202 units and where they are in production.

Johnny Oliver, Director of Preservation on the 2016 GO Bond PASS Program, presented next. He gave a brief history of the 1992 Prop A Seismic Safety Loan Program with \$350M made available. The program was underutilized with only \$90M in loans originated in over more than 20 years. That gave impetus to update the authority and expand it to affordable housing. He reviewed affordability restrictions. Rents must reach an 80% AMI and are capped at 120% AMI. Today the program is serving low-income households earning below 60% AMI. The mixed affordability of units with higher paying rents are helping to subsidize units with lower paying rents with lower incomes which expands the number of eligible projects. He reviewed the eligible uses, projects recently closed and PASS financing. He reviewed the 1<sup>st</sup> issuances and risks and challenges that resulted in program changes.

Member Larkin asked in regards to the building of the submarket rate houses, that when offered to prospective tenants and owners, if there is a preference for residents of San Francisco or do they get first priority? Benjamin McCloskey said that the live and work in San Francisco preference that applies to all affordable housing is not time based. So, as long as at the time of application someone lives and works in San Francisco, they receive that preference in the lottery. There are other preferences layered in by the Board of Supervisors that may give higher preference.

There was no public comment.

**7) Liaison Report on the 2020 Health and Homelessness, Parks, and Streets Bond Program and possible action by the Committee in response to such presentation.**

Member Sanderlin reported. Member Sanderlin reviewed how the GO Bonds are earmarked stating there are four departments involved and reviewed the four departments. Member Sanderlin reported on the issuances and spending of the funding by each department to date. She added that the team cited challenges as the unfavorable building environment, supply chain issues, escalating costs and, etc. which have been mentioned in other reports.

There was no public comment.

8) **Liaison Report on the 2010, 2014, 2020 Earthquake Safety and Emergency Response Bond Programs.**

Member Gheen reviewed the status of the GO Bonds under this program. Member Gheen discussed issuances, the funding and phases of projects and completion dates. She stated that many of the projects under these programs are interrelated. Member Gheen said that it was great to meet the project managers and see the work they are doing. She reiterated the challenges that Member Sanderlin had listed during that Liaison Report.

There was no public comment.

9) **Opportunity for Committee members to comment or take action on any matters within the Committee's jurisdiction. (20 minutes)**

a. Audits Unit - Public Integrity Reviews

Mark de la Rosa, Controller's Director of Audits, gave a report on the Public Integrity Reviews since December 2022.

b. Performance Unit - Public Perception Survey Project. Natasha Mihal stated this item be taken off the agenda since at a recent meeting the last public perception survey was reported out. Member Pantoja asked about the costs of the survey. Natasha Mihal stated she would get back to him on it and costs were not insignificant. Member Pantoja suggested considering surveys in the future but did not think we should spend money frivolously.

c. CSA Division – Updates and Workplan

Natasha Mihal reported on issuances by CSA Performance. They issued several annual reports including the FY2022 Annual Performance Report for all departments. They will present to the Budget and Finance Committee on Wednesday. She talked about other reports issued. Mark de la Rosa reported out for the CSA Audits division on compliance audits issued, and the continuance of work on FY2022-23 workplan. A number of performance audits and risk assessments are in the works.

d. Public Finance – Upcoming Bond Issuances

Vishal Trivedi, Controller's Financial Analyst, reported on the upcoming anticipated forward debt calendar for the GO Bond issuances. They received Board approval for some of the issuances this spring.

e. CGOBOC – FY2022-2023 Workplan, Liaison, and Meeting Dates

Natasha Mihal reviewed the calendar.

f. Return of Policy Bodies to In Person Meetings

Mark Blake, Deputy City Attorney, reviewed the legalities of return to meeting in person.

g. GO Bond Program Reports Submission Frequency

The Committee decided that when a GO Bond program is being presented the department managing that GO Bond Program is to submit a presentation and a report. When there is a Liaison Report, the department managing that GO Bond Program will submit a report. So, each GO Bond Program Manager will submit reports twice a year and a presentation once a year.

There was no public comment.

Meeting adjourned at 10:57 am. Motion by Member Larkin and seconded by Chair Mathews.